

FIRST REGULAR SESSION

# SENATE BILL NO. 476

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LAMPING.

Read 1st time February 28, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1714S.02I

## AN ACT

To amend chapter 169, RSMo, by adding thereto five new sections relating to school retirement.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 169, RSMo, is amended by adding thereto five new sections, to be known as sections 169.900, 169.903, 169.906, 169.909, and 169.912, to read as follows:

**169.900. As used in sections 169.900 to 169.912, the following terms mean:**

(1) "Board of trustees", "board", or "trustees", the board of trustees provided under sections 169.010 to 169.130;

(2) "Employee", any person who otherwise would meet the definition of "employee" under section 169.010;

(3) "System" or "retirement system", the retirement system established pursuant to sections 169.010 to 169.130;

**169.903. By July 1, 2014, the board of trustees of the retirement system shall:**

(1) Establish a defined contribution plan, intended to qualify as a profit sharing plan under section 401(a) of the Internal Revenue Code, for employees who otherwise would be covered by the retirement system which, among other things, provides for an individual account for each participant and for benefits based solely on the amount allocated to the participant's account and for immediate vesting;

(2) Select third-party administrators to provide such services as the board determines to be necessary for the proper administration of the defined contribution plan;

(3) Hold all assets and income of the defined contribution plan

13 in trust for the exclusive benefit of participants and their beneficiaries;

14 (4) Select the investments of such trust, and permit the  
15 participants in the defined contribution plan to direct investment of  
16 their individual accounts among investment options, if deemed  
17 appropriate by the board;

18 (5) Amend the plan from time to time as necessary or  
19 appropriate to comply with section 401(a) of the Internal Revenue Code  
20 and the purposes of this section; and

21 (6) Establish such rules and regulations as may be necessary to  
22 carry out the purposes of this section under the authority granted by  
23 sections 169.900 to 169.912. Any rule or portion of a rule, as that term  
24 is defined in section 536.010 that is created under the authority  
25 delegated in this section shall become effective only if it complies with  
26 and is subject to all of the provisions of chapter 536, and, if applicable,  
27 section 536.028. This section and chapter 536 are nonseverable and if  
28 any of the powers vested with the general assembly pursuant to chapter  
29 536, to review, to delay the effective date, or to disapprove and annul  
30 a rule are subsequently held unconstitutional, then the grant of  
31 rulemaking authority and any rule proposed or adopted after August  
32 28, 2013, shall be invalid and void.

169.906. Subject to the applicable limits of the Internal Revenue  
2 Code, the annual contribution rate for each employee participating in  
3 the defined contribution plan shall be seven and one-half percent of  
4 compensation. The annual contribution rate for each employer shall be  
5 seven and one-half percent of compensation. The term "compensation"  
6 as used in this section shall be defined in the plan document, in a  
7 manner substantially similar to the definition of "compensation" in  
8 section 169.010.

169.909. 1. Each employer, as defined in section 169.010, and any  
2 third-party administrator shall provide such information to the system  
3 as may be required to implement the provisions of sections 169.900 to  
4 169.912.

5 2. The board and employees of the system shall not be liable for  
6 the investment decisions made or not made by participating employees  
7 in the defined contribution plan established under section 169.903 as  
8 long as the board acts with the same skill, prudence, and diligence in  
9 the selection and monitoring of providers of investment products,

10 education, advice, or any default investment option, under the  
11 circumstances then prevailing that a prudent person acting in a similar  
12 capacity and familiar with those matters would use in the conduct of  
13 a similar enterprise with similar aims.

14       **3. The system shall be immune from suit and shall not be subject**  
15 **to any claim or liability associated with the administration of the**  
16 **defined contribution plan established under section 169.903 by the**  
17 **board and employees of the system.**

**169.912. Employees who are first hired on or after July 1, 2014,**  
2 **shall participate in the defined contribution plan and shall not accrue**  
3 **any additional creditable service in the system under sections 169.010**  
4 **to 169.130.**

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Bill

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